

MAYOR'S ANNUAL REPORT TO THE BELLA VISTA CITY COUNCIL

FOR THE YEAR 2015

AS REQUIRED BY STATE STATUTE 14-58-302

25 JANUARY 2016

The overall financial picture for the City remains positive. Revenue for the General Fund increased \$1.9 million (15.4%) over 2014 totals, with 2015 actuals exceeding the budget by \$1.8 million (14%). The majority of the increase was driven by sales tax, property tax (which includes the increased mill rate approved by voters in September 2014 for fire and police pensions) and ambulance service. Unlike the previous year, franchise fees remained relatively flat for 2014 — \$1.8 million.

There continues to be a marked year-over-year increase in ambulance revenue. In 2015, revenue increased \$373,478 (19%) which reflects 806 more calls (20%) than 2014. In 2014, EMS calls increased by 487 calls compared to 2013 (17%). A review of demographics reveals that the majority of our patients are over 70 years of age. However, there has been a gradual increase of younger patients, which reflects the changing demographics of the city. The increase is due, in part, to the Affordable Care Act providing more people access to medical insurance coverage for EMS, as well as the transfers out of the new Mercy free-standing ER facility.

Year-over-year, expenses in the General Fund have shown an increase of 6%. This comparison includes two large capital expenditures in both years — \$2.3 million in 2014 for the purchase of land and a building from the Bella Vista Property Owners Association and two parcels of land along Highway 279 for a new Streets facility and Fire Station #4, and \$2.2 million in 2015 as we began construction on those two buildings.

The city's reserve was \$6.5 million on January 1, 2015. On December 31, 2015 it was \$7.0 million. At one point during the year, reserves reached \$8.3 million. The construction of Fire Station #4 and the Streets building reduced the reserves. The 2016 plan is to continue to pay cash for Fire Station #4 and one-half the new Streets building through our reserves and revenues. The remaining half of the Streets building and \$800,000 costs for other equipment needs will be financed through a \$2.4 million loan. The use of this financing and the additional 1-mill increase approved by council in October will allow us to allocate more money towards street repair in 2016.

On March 29, 2015, a major fire destroyed our **Streets** Building on Pinion Drive. The insurance adjusters declared 14 vehicles a total loss. Fortunately, our insurance coverage through the Arkansas Municipal League covered most of the vehicle loss at replacement value. However, it did not fully cover the costs of equipment under \$1,000. One bright note is that our Street Superintendent purchased five vehicles back for considerably less than the cost of new vehicles, and was able to refurbish them and place them back into service. As a result, we now have three additional trucks and two additional mowers in our fleet. In the spring, Council approved a contract with Greenberg Farrow to inspect and provide a rating for all 550 miles of roads within the 45 square miles of the city. The result was 292 miles (53%) in good condition. Excluding the 71 miles of unimproved roads within the city, the balance of 186 miles were found in various

conditions – fair, critical and lost. A Street Committee began the task of addressing this situation by developing a long-range Pavement Management Plan. In 2015, we resurfaced 28.3 miles of city. In addition, we improved 60 miles of city street drainage. We partnered with Benton County to widen and pave Commonwealth Drive. This project required an additional appropriation of \$100,000 for material, and the county covered the cost of labor and equipment. This improvement links up with other 2015 county paving/resurfacing projects, namely Looney and Jack Crabtree Roads, improving the access to Bella Vista on the east side. Another bright note within the Streets operation was the receipt of a long-awaited FEMA payment of \$249, 026 for 2011 and 2013 flooding damage. There remains an outstanding balance \$48,973 of those funds.

In 2015 the Building and Planning Division changed its name to the **Community Development Services** Department. In December they moved from Town Center West to new offices located at 616 W. Lancashire Blvd. The Department issued 1,395 building and planning permits, representing a 21% increase over the previous year. This is a continued upward trend that has been evident since 2011. Construction activity in the city continues at a brisk pace with 68 new home permits with a valuation of \$18.6 million. This represents a 33% increase for new housing starts over 2014. After meeting with builders in the spring, the department embarked on a program to cross train all employees working with the builders to increase the depth of knowledge of city ordinances. In addition, since that meeting the department has decreased the average time for residential housing permits from six days in 2014 to two days in 2015. The eventual goal is one-day turnaround. Four new commercial permits were issued in 2015 compared to two in 2014 – T.H. Rogers, Village Bible Church, city Streets Department and Fire Station #4. The department facilitated the adoption of two key long-term policy documents in 2015. The Northwest Arkansas Regional Bicycle and Pedestrian Master Plan and Bella Vista's Community Action Plan were adopted by City Council in January. The department also participated in the partnership negotiations with the Bella Vista POA, Cooper Communities and the Walton Family Foundation to lay the legal groundwork for the 150 miles of trails planned for Bella Vista over the next 10+ years, including an extension of the Razorback Regional Greenway trail. All legal agreements were completed and adopted by all partners, including City Council, in the fall.

Code enforcement increased in 2015 with the hiring of a new Code Enforcement Officer. In addition, the Code Enforcement Officers were trained by police and our legal department to issue citations, rather than call upon a Police Officer to do so. There have been many other projects completed in 2015 and work in progress through 2016, including the annexation of the Wonderland Cave into Bella Vista, rezoning applications, Storm Water Management compliance, trailheads and crosswalks for the proposed biking and hiking trails, as well as engineering the Mercy bridge widening project and reconfiguring the portion of Riordan Road from U.S. 71 to the former Iberia Bank building.

Aside from the increase in EMS activity and beginning construction on Fire Station #4, our **Fire Department** took delivery of a new 2016 KME custom pumper for the east side fire station. The department worked with Cooper Elementary challenging the students to propose names for the new truck. The winning name was "Fire Destroyer." The students were invited to Fire Station #1 to celebrate the arrival of the new truck and have their picture taken sitting in the cab, and then have lunch with the firefighters. Another KME customer pumper is on order for 2016 delivery to Fire Station #4. We plan to

work with the Gravette School District to suggest names for this truck. Other ongoing projects include the hiring of three firefighters in 2016 to complete our hiring of 12 firefighters for Fire Station #4, continued certification of our Dive Team and allocations of an ambulance to them that is being retired in 2016. In 2015 the Fire Department launched the Community Paramedic Program with Mercy Health of NW Arkansas which has been well received by the community.

The **Police Department** continued its quiet and relentless efforts to keep Bella Vista one of the safest cities in which to live. Three new officers were hired, along with a reorganization to broaden the responsibilities of the department. In 2015 a new community uniform was introduced consisting of a blue polo shirt with embroidered badges and names along with Khaki colored trousers. This “softer look” uniform, which was worn for Hay Days and the Craft Fair, has received enthusiastic support from residents. This is all part of the Police Department’s Outreach Program, which includes the SALT Academy for our senior residents, the annual Night Out, Public Safety Day and Shop with a Cop. In 2015 the groundwork for a Citizen’s Police Academy was completed, with the first class being offered in Q1 2016. In 2015 both the Fire and Police Department, along with our Finance Department and State Audit Team, reviewed and updated our Disaster Recovery Plan and our Business Continuity Program. The bottom line is that in 2015 Bella Vista was cited as the 3rd safest city in Arkansas (Safewise Security) and the 5th safest city in the United States (Neighborhood Scout).

Within the **Administration** group we hired a part time **Communications** Manager in July, who became full time in 2016, with the mandate to complete the change of the city logo, the construction and launch of the new city web page and to establish and continually update our social media accounts. This change has received positive comments by the community. In fact, when our proposed trails map was posted on Facebook we received 34,000 views within two days! The incumbent is also responsible for all press releases, promotion of the city through articles, photo spreads & community events and representing the city at various events within Bella Vista and northwest Arkansas. She also participates in all planning meetings related to community events, such as trails and the new Farmers’ Market to be introduced in the spring of 2016. In 2015, feature articles about Bella Vista were included in USA Today, Celebrate! magazine and 2NJoy magazine, along with other photographic and informational publications.

In 2015 our **Legal Department** made 31 court appearances in Bentonville District Court and 10 appearances in Benton County Circuit Court, related to approximately 1,365 criminal, traffic and city code enforcement cases. In addition, our attorney consults with the Police Department and the Administration on a daily basis. In 2015 we hired a part-time legal assistant to help with the case load. In 2016 we are increasing the hours for our legal assistant and I suspect we may need to move to a full time legal assistant in 2017.

2015 has been a busy year for our **HR Department**, currently only two people. They have worked through 61 employee changes, introduced a new Employee Handbook, and worked with our insurance broker to reduce the impact of a 17% increase in health care costs. Through changes in health coverage, including

a new Health Savings Account, and changes in our dental provider, the department was able to reduce the increase in coverage to 12%. HR also oversees our Random Drug Screening Program, payroll, constant review of employee job descriptions and working with individual employees to resolve insurance and other HR queries. The greatest challenge facing our HR team in 2015 has been the introduction of the mandated reporting by the Affordable Care Act (ACA). Since this reporting is new throughout the nation, there is little expertise available. Our team worked closely with American Fidelity and Wroxtime to ensure the accuracy of the reporting to both the Federal Government and our employees. They have worked long and hard and have been successful. In 2016 we will be hiring an HR assistant whose primary task will be the reporting and tracking of ACA on a monthly basis.

Our **Library** has also been busy. They have had extensive IT upgrades of both hardware and software, copier replacement, a new heat pump, extensive use of social media as part of their Outreach Program to younger families and much more. New shelves will be added in 2016, along with the hiring of a Children's Librarian, extended evening hours and the introduction of a new Homebound Service for our patrons who find it difficult to travel to the Library.

In the Mayor's Annual report of 2015, a number of events and initiatives were outlined. This next section of the report discusses the outcomes.

- 2015 was Bella Vista's Centennial Year. The Bella Vista POA hosted a number of events including an afternoon and evening party prior to and during the city sponsored July 3rd fireworks display.
- We have streamlined our permitting processes within the Community Development Services department as discussed earlier in this report.
- Our biking and hiking master plans have been completed and approved. All legal agreements are in place and the first 39 miles of soft trails will be built on the east side with completion in November 2016.
- The local Stream Team unfortunately had to abandon their project of a float experience from the dams at Bella Vista to the Missouri border.
- Our streets and fire station building projects are well under way with estimated completion dates of April for Streets and May for Fire.
- We continue to work with the Bentonville School District to find locations for much needed elementary and middle schools.
- Our Disaster Recovery and Business Continuity Plans are updated and the final area law enforcement mutual aid agreement has been executed between Bella Vista and Gravette.
- Our Pavement Management Plan is operational as discussed earlier.
- New signs have been erected at the south and north entrances to the city. This was a joint City and Bella Vista POA project.
- Our Library continues to seek funding for their expansion project.
- Our revisions of the city webpage and logo and incorporation of the use of social media tools are complete.

Top of Mind for 2016

- Stay on target with our Vision to be the premier destination for families to visit and live within our great city.
- Continue to develop our sense of community and our sense of place through safety, selection, service and the element of surprise. Two exciting examples of our planning towards these goals are the Farmers' Market planned for Sundays at the Mercy Bella Vista Emergency facility from April to November and the formation of a Bella Vista Arts Council.
- Keep a concentrated focus on hiking and biking trails and economic growth through partnership with the Bella Vista POA & Cooper Communities, as well as hiring an Economic Development person by March of 2016. We need to stay focused on reducing the number of streets that require urgent repair. We must be engaged with our community through public speaking opportunities and community events.
- Continue upgrading our IT infrastructure to safeguard our systems and data, as well as give our employees the tools they need to be successful serving the needs of our constituents.

In 2015 we planned and approached the crossroads boldly and with purpose. As a result, 2016 promises to be a very exciting year, with big things coming for Bella Vista's future.